AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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WHOLE NO. 1180 | WILLIAM GREEN, President | WASHINGTON, D. C., SATURDAY, NOVEMBER 25, 1933 | FRANK MORRISON, Secretary | VOL. 23, NO. 38

Great minds alone are excited by the prospect of distant good.—Schiller.

Editorials

Greenfelder's Low-Wage Scheme

One of the advantages derived from the hearings on the codes of fair competition held by the National Recovery Administration is the revelation they give of the low living standards for workers which many employers would even now impose if they were not restrained by strong trade unions and other progressive agencies.

A striking illustration of this was given by A. P. Greenfelder, second vice president of the Construction League of the United States, at the reopened hearing, asked by the American Federation of Labor, on the proposed master code for the construction industry and supplemental codes for the various branches.

After declaring that one of the objects of the Construction League is to build houses for poor people, whose living standards have been debased by low-wage employers, Mr. Greenfelder proposed that the wages of organized building trades employes should be drastically reduced in order to promote his hallucination of enabling contractors to sell houses at a good fat profit to the lowest paid wage earners. M. J. McDonough, president of the Building Trades Department of the American Federation of Labor, emphatically and truthfully replied that the first cost of housing is not due to high wages, but to the financing methods imposed by the banking fraternity.

In its final analysis Mr. Greenfelder advanced the unthinkable and reactionary policy of ascertaining the lowest wage scale which employers are able to impose upon their workers, and then slash all other wages to that level in order to equalize the house-buying power of the masses.

Progress consists in raising, not lowering, wages and living standards. The house-buying ability of the low-wage workers must be made possible not by reducing other workers to their economic level, but by raising their wages and buying power to higher levels.

It is no wonder that General Hugh S. Johnson, Recovery Administrator, at the conclusion of the hearing appointed a committee with two labor representatives to redraft the construction industry code so that it will not reflect Mr. Greenfelder's subversive labor policy.

Labor-Displacing Machinery

A new interpretation of the relationship of labor-displacing machinery to the workers whose jobs are destroyed and to general social progress is raised in the proposal of President I. M. Ornburn of the Cigar Makers' International Union that a tax be placed on machines to provide a fund to assist in sustaining the jobless workers until they are absorbed in other industries.

In approving Mr. Ornburn's proposal, William Green, president of the American Federation of Labor, said:

> "The machine, if introduced merely for the sake of saving labor without regard to the repercussion of this saving upon the general welfare, is now well understood to be an enemy. If, on the other hand, it is introduced in an orderly and responsible manner, it may well be looked upon by all as a friend.
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> "As labor has often said, we must make a servant of the machine instead of allowing it to become a master over our economic destiny.
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> "There is no greater tyranny than that exercised by wholly impersonal forces once they have escaped control. Once the disaster has brought about by them become set, they can not be corrected without great and painful effort. Therefore, the sooner the effort is made the less it will cost."

Step by step organized labor's contention that machinery in production must be brought under social control to protect the right of all workers to to earn a living is marching ahead with an emphasis that will brook no retreat.

McDonough Attacks Labor Section Of Construction Industry Code

President of A. F. of L. Building Trades Department Charges Construction League With Attempt to Kill Collective Bargaining—40-Hour Week Will Provide No Jobs for Idle—40 Cents Minimum Pay Denounced.

Washington.—M. J. McDonough, the fighting president of the Building Trades Department of the American Federation of Labor, did not mince words in his belligerent attack on the reactionary provisions of the labor section of the code for the construction industry proposed by the Associated General Contractors, the Chamber of Commerce of the United States, and the American Institute of Architects, all of whom subscribed to the Construction League's policy of heavy reduction of the living standards of workers and a work week so long that none of the hundreds of thousands of men in the building trades can hope for jobless for three years would be employed.

40-Hour Week Is Worthless

Mr. McDonough declared there was nothing in the labor section of the code which appealed to him. Eighty per cent of the country's construction employes are out of work now, he said. Under this condition the establishment of even a 20-hour week would not provide jobs for all the idle building trades workers, and the 40-hour week proposed in the code was absolutely worthless as a remedy for unemployment.

40 Cents Per Hour Denounced

He also vigorously attacked the 40-cents minimum pay per hour and the 40-hour low-wage sponsors of the code had set up as the standards to be observed by the workers' living standards. He pointed out that 80 per cent of the building trades workers are skilled and that the adoption of the 40-cents minimum would tend to become the normal wage.

League Menaces Collective Bargaining

"The Construction League is proceeding contrary to the provisions of the National Industrial Recovery Act," Mr. McDonough said.

"Its entire aim is to destroy collective bargaining as it now exists and has existed for many years in the construction industry.

"It masks its real purpose under the plausible but untenable theory that a revival in the building industry is dependent upon reduction in labor costs, when as a matter of fact, if the League were really sincere in its alleged purpose, its attention would be concentrated upon costs of materials and financing charges.

"Its real objective is to destroy the rights and guarantees which have been granted to the members of the building trades labor organizations under Section 7 of the National Industrial Recovery Act.

Labor's Rights Under the NRA

"The building trades of the American Federation of Labor are fully conscious of the sinister objectives of the Construction League.

"They are not deceived by its outward protestations and do not propose to have their membership become the victims of its concealed policies.

"They know that rights under the National Industrial Recovery Act and what, in the present instance, should be the procedure under Title I of that act.

"The Recovery Act, Sections 7 (b) and 7 (c), states that the President or his Administrator should exhaust every possibility for mutual agreement between employers and employes before acting upon his own initiative, or, in other words, exhaust every provision for collective bargaining before setting minimum rates of pay and maximum hours of labor in a proposed code.

"So long as facilities for collective bargaining exist, the law does not contemplate that the Administrator should restrict labor provisions of a code to minimum rates of pay and maximum hours of work for unskilled labor.

"Before doing this, where collective bargaining facilities exist or in the case of existing collective agreements, the President or his Administrator in formulating provisions of a code must first avail himself of these factors."

Scrap the Code

Mr. McDonough claimed that these and other provisions of the National Recovery Act designed to encourage collective bargaining had been completely ignored by the subversive interests mobilized under the Construction League of the United States which sponsored the code. Consequently the code, he said, was nearly devoid of legal status under the Recovery Act and should be unceremoniously scrapped by the National Recovery Administration.

Here is the way the stocky and pugnacious head of the Building Trades Department hammered this point home.

Negotiate Agreements for Code

"We, therefore request that the Deputy Administrator, who is charged with these hearings and direct the representatives of the construction industry or subdivisions thereof to meet with representatives of the building trades organizations of the American Federation of Labor for the purpose of negotiating national and local agreements, minimum rates of pay and maximum hours of labor for all classes of work, pre-medieval and medieval, in the construction industry. When these agreements are concluded, they will become the labor provisions for the codes of the construction industry.

Vigorous Opposition Promised

"Unless the construction industry will accede to these fundamental mandates of the Recovery Act, the building trades unions of the American Federation of Labor will oppose to the utmost the unfair, unjust and all others based upon it. They consider, in its present form, that it has not complied with the terms and provisions of the Recovery Act.

"If the construction industry persists in its present attitude as expressed in the pending codes, we shall have no reason but to believe that the construction industry has violated the Recovery Act, and we shall be compelled to appeal to appropriate higher agencies and persons.

"We shall, under no circumstances, give our approval to the pending codes of the Construction League for the reason that we consider their proponents have failed deliberately to comply with the fundamental provisions of the Recovery Act for the purpose of destroying collective bargaining and collective agreements as they now exist in the construction industry."

30-Hour Week, $4.62 Minimum Pay, Asked For Anthracite Miners

Secretary-Treasurer Kennedy of United Mine Workers Attacks Operators' 48-Hour Week in Hearing on Code and Insists That Present Wage Rates in Union Agreements Be Continued—Ban on Employment of Boys Under 18 Is Urged.

Washington.—The imperative necessity of a six-hour day and 30-hour maximum work week, preservation of the present $4.62 minimum wage rate per day for outside labor, prohibition of overtime work, prohibition of employment of boys under 18 in mines, and the maintenance of the check-off system of dues, were the features of the amended code for the anthracite operators urged by Thomas Kennedy, international secretary-treasurer of the United Mine Workers of America in the hearing on the code of fair competition for the anthracite industry conducted by the National Recovery Administration.

Union Wage Rate Defended

On the wage rate proposed by the miners' union, Mr. Kennedy declared it is the rate under present union agreements with anthracite operators.

"This recommendation," Mr. Kennedy said, "takes into consideration proper rates for outside classifications of labor and inside day and contract rates and is to be continued as recognized and provided for under existing agreements and understandings with the operators."

"This means that wherever chiselling has occurred, notwithstanding the efforts of the United Mine Workers of America and its loyal members to prevent it, such chiselling will be stamped and required both under the code and under the agreements to restore wage rates and practices where such have not been carried out.

"To place this recommendation in the code would be an added source of strength to the agreements and condition standards of the men under the agreement and would eliminate unfair competitive advantage which chiselling operators or employers would have over employers who are complying with the terms of the agreement."

Attacks 48-Hour Week

The 48-hour week proposed by the anthracite operators would absorb none of the unemployed miners, Mr. Kennedy told the Recovery administration, for only thing that would achieve this definite purpose of the Recovery Act is the 30-hour week, he declared. Of the 48-hour week, Mr. Kennedy said:

"Our work-week proposal provides for a maximum of six hours per day, 30 hours per week. It also provides that overtime shall be prohibited, and that if any reasonable amount of overtime is required above the maximum hours, a new personnel of employes shall be taken on for such work, and that no section employe shall be hired in the industry until all former employes, now unemployed, have been given jobs. Plant operation should be restricted to (five) maximum 30 hours per week.

"It is our firm conviction that this section, substituted in the code for that submitted by the operators, would place thousands of men in jobs and would be the effective means of providing employment for persons now unemployed.

"If any appreciable number of wage earners are to be absorbed in the hard coal industry a flat 30-hour week of six hours per day and five days per week will have to be the working week for this industry.

"We feel that a 48-hour week, averaged over a five-week period, as provided in this code is excessive for this industry if the objectives of the NRA are to be realized."

Check Off System

"The net amount of wages due shall be paid semi-monthly in lawful money or pay check in accordance with the contract between the United Mine Workers of America and the anthracite operators.

"Monthly dues and assessments of members of the United Mine Workers of America shall be deducted by the operators from the wages of such members, and the money so collected shall be transmitted to the secretary-treasurer of the respective districts as provided in Section 4 of the agreement of August 15, 1930, but no assessment shall be collected except those approved by the International Executive Board of the United Mine Workers of America."

Child Labor Ban

The code submitted by the United Mine Workers also demanded that no person under 18 years of age shall be employed inside any mine or in hazardous occupations outside the mine and that no person under 16 years shall be employed outside any mine or colliery.

In justification of the demand that operators should be barred from employing boys under 18 inside the mines, Mr. Kennedy said it was warranted from the frequency and severity of accidents among this class of workers.

"Advancing the age limit from 16 years for those permitted to work inside the mines," he said, "would not reduce the mine accidents, but, by placing this age barrier against beginners in anthracite mining, it would be of great service in establishing employment conditions within the industry."

TECHNICAL ENGINEERS INCREASE MEMBERSHIP

President Rosemund Warns Against Dual Union in New York

Washington.—Many new locals of the International Federation of Technical Engineers, Architects and Draftsmen's Unions have been formed throughout the country as a result of the recent organizing campaign, according to C. L. Rosemund, president of the organization, which is affiliated with and under the American Federation of Labor Building here. There have also been considerable increases in membership in the unions already established.

Mr. Rosemund said he had received inquiries from several central bodies requesting information as to the status of an organization representing itself as a "trade union" and known as the "Federation of Architects, Engineers, Chemists and Technicians," operating out of New York City.

"This is a 'rump' or dual organization with no connection whatsoever with the American Federation of Labor," Mr. Rosemund declared.

"Some of those identified with and directing the policies of this dual movement have been actively identified with the Soviet Government in Russia. In fact, we have knowledge that two of these have been delegates to a conference in Moscow a year or so ago.

"Many members of this dual organization were members of the former Local No. 37 (New York City) of the International Federation of Technical Engineers, Architects and Draftsmen's Unions, which local union was suspended because of persistent activities that put the labor dual odor with the regular trade union movement of this country."

EDUCATION INSURES AGAINST BREAD LINE

Chicago.—The value of education as insurance against the bread line is clearly indicated by data furnished the American Federation of Teachers as a result of a survey covering some 2,989 pupils in the city of Chicago, Ill.

Of these, only 1.09 per cent had received a year or more of college training and only 3.4 per cent had attended high school one year or more.

The study of the data also that "a little learning is a dangerous thing" may be indicated by the fact that the bulk of those tested, or 74 per cent, came from among those who had left school in the fifth, sixth and seventh grades, while only 24.5 per cent as having less than third grade schooling, a note.

On the other hand, the paucity of the unschooled in industry today indicate only that comparatively few Depression victims have sought relief at the hands of a rudimentary education.

LACE ACCESSORY WORKERS WIN PAY INCREASE STRIKE

Wilkes-Barre, Pa.—The strike of Lace Accessory Workers, Local No. 19, of the American Federation of Labor, was settled here through the aid of Thomas Kennedy, A. F. of L. organizer, when the Wilkes-Barre Lace Company consented to a 7 per cent wage increase retroactive to July 17, and agreed to submit the matter of further increases to the National Labor Board for adjudication.

The employes returned to work pending this final settlement.

BEALS APPOINTED LABOR COMMISSIONER OF MAINE

Augusta, Me.—The reappointment by Governor Brann of Charles O. Beals as Labor Commissioner is the commission of great satisfaction to organized labor and to the community. He was endorsed by central labor bodies and officials generally throughout the State.

He is also highly regarded for his services as a member of the Cigar Makers' Union, as a delegate to the Central Labor Union and as secretary of the State Federation of Labor, before his appointment to State office.

NRA ACTS TO COMPEL EMPLOYERS TO DEAL WITH TRADE UNIONS

Two Shipyards, With 4,000 Men On Strike, Refuse to Negotiate With Organized Labor—Regional Board Files Complaint With National Labor Board to Force Collective Bargaining.

New York.—The first drastic step by a government agency under the NRA to enforce the collective bargaining provision of the National Recovery Act was taken by the regional labor board against two shipbuilding corporations and three of their subsidiaries in the New York area.

4,000 On Strike

The board informed General Hugh S. Johnson, National Recovery Administrator, and Senator Robert F. Wagner, chairman of the National Labor Board, that the United Dry Docks, Inc., and Todd Shipbuilding Corporation had refused persistently to negotiate with representatives of their 4,000 employes, on strike for the last seven weeks, and had declined also to accept the mediation of the labor board.

The subsidiaries in question are the Robbins Dry Dock and Repair Company, the Tietjen and Lang Dry Dock Company and Fletcher Dry Dock Company.

Regional Board Files Complaint

In letters to General Johnson and Senator Wagner the regional labor board asked that the corporations be summoned before the National Labor Board and that Fifty leaders said to have been granted to them be withdrawn unless they agreed to abide by the law and negotiate with their employes.

The letters, signed by George Alger, chairman, and Mrs. Elinore M. Herrick, vice chairman of the regional board, pointed out that the refusal of employers to deal with the unions involved in the strike, all of them affiliated with the American Federation of Labor, threatened to result in a nation-wide tie-up of shipyards. Mr. Alger and Mrs. Herrick said they considered the case so important that they were prepared to carry it directly to President Roosevelt, if necessary.

Trade Unionist Dismissed

The local board found that the strike in the Dry Dock area was provoked by the dismissal of a welder, George Hunt, for union activity and declared that "such dismissal constitutes a discrimination in direct violation of the terms of the NRA, and specifically of Article III of the shipbuilders' and ship repairers' code agreement for collective bargaining with the employes through representatives of their own choosing.

The board found also that the refusal of the corporations to negotiate with the unions was a violation of Section 7 (a) of the National Recovery Act.

The Unions Involved

The unions involved are the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths and Helpers of America, International Brotherhood of Electrical Workers, the Union of Shipjoiners and Carpenters, the Ship Caulkers' Union, Local 1292; International Brotherhood of Machinists, International Association of Machinists, Dock Hands' Union and Metal Trades and Pattern Makers' Union.

LABOR LEADERS ATTEND M'LAUGHLIN'S FUNERAL

Cleveland, Ohio.—The funeral of Harry McLaughlin, president of the Ohio State Federation of Labor, and the Cleveland Federation of Labor and former representative of the A. F. of L. and Building Trades Council, was held at St. John's Cathedral here.

The Requiem High Mass was celebrated by Magr. Joseph F. Smith in the presence of a congregation that completely filled the large edifice.

Magr. Smith, in an eloquent address extolling the life and works of Mr. McLaughlin, said:

"We are assembled during his few years as president of the State and Cleveland Federations of Labor in winning the respect of all classes of the community, because of his sincerity, his loyalty and his devotion to the cause.

"By his native ability, his courage, his honesty of purpose this man obtained the position of leader, for he had something which is not contained in books and which does not always come from schooling.

"He had a knowledge of life and a simple faith that made him a leader.

In addition to many employers' and city and county officials and trade unionists the following union officials from this and town were present to pay their last respects to the departed labor leader:

William Collins, general organizer of the American Federation of Labor, representing President William Green; Joseph Moreschi, president, International Hod Carriers, Building and Common Laborers' Union, Quincy, Mass.; George D. Lahey, first vice president, United Carpenters and Joiners of America, Indianapolis, Ind.; John E. Rooney, first vice president, Operative Plasterers' International Association of the United States and Canada, Middletown, Ohio; William McSorley, president, International Union of Wood, Wire and Metal Lathers, Lakewood, Ohio; Owen Gallagher, vice president of the Engineer's Union, Erie, Pa.; Owen Cavanaugh, International Longshoremen's Association, Buffalo, N. Y.; Thomas J. Donnelly, secretary, Ohio, State Federation of Labor, Columbus, Ohio; Michael Jurden, Youngstown; William Morgan, Newark; Stanley Ogonowski, Akron, and Ora Chapman, Dayton, executive board members, Ohio State Federation of Labor; John Quinlaven, president, Toledo Building Trades Council; George Strom, organizer, United Association of Plumbers and Steam Fitters of the United States and Canada; Edward Switalski, State Council of Plumbers and Steam Fitters.

LABOR PICKETS BRING NRA CODE CHISELER TO TERMS

Fort Wayne, Ind.—Picketing sponsored by the Fort Wayne Building Trades Council of Labor persuaded a restaurant owner here charged with violating the labor provisions of the NRA code to mend his ways.

He was brought to the benefits of the NRA is Otto Bonahoon, proprietor of a dairy lunch on Main Street. The picketing of the dairy lunch was ordered by Compliance Committee of the Federation of Labor.

After a meeting of the Labor Committee, consisting of Clint McDonald, Fred Landis and Art Wiss, and a committee from the restaurant association, Mr. Bonahoon capitulated and agreed to comply strictly with the code. He said the code violations were the result of misunderstandings.

This was the first case in which organized labor in Fort Wayne resorted to picketing to halt NRA code violations and unfair treatment of the workers.

824 CHARTERS ISSUED BY AFL SINCE JULY 1

Washington, Nov. 23.—The American Federation of Labor has granted eight hundred and twenty-four charters to local trade unions, federal labor unions, federal labor unions, and local unions since July 1, Frank Morrison, secretary of the Federation, announced.

The new unions are located in every part of the United States and Canada and include all classes of working men and women.

Long terrorized and enslaved by the sweatshop system, the unfair employers who forced the notorious company union down the unwilling throats of their employes, the workers have sensed their freedom under the National Recovery Act, which guarantees the right to organize in bona fide trade unions without interference from employers, and have come to the American Federation of Labor and its affiliated unions by hundreds of thousands.

"Now for ten million members!" is the slogan of the A. F. of L. with good prospects for the realization of this goal.

"TRAM" COMPANY UNION WIPED OUT IN DENVER

Denver, Colo.—The company union scheme was given a black eye here when employes of the Denver Tramway Corporation voted 253 to 225 to substitute the Amalgamated Association of Street and Electric Railway Employes for a "company representative committee" as the form of their collective bargaining under the NRA code.

Members of Myers Local Union No. 1, United States Department of Labor, predated over the balloting.

The election was called at the request of trunway employes who had organized a local union with the membership of P. J. O'Brien, representing the Amalgamated Association, in charge of the membership campaign of only a few weeks.

Howard S. Robertson, president of the Federation, and signatory of the national transit code, agreed to the election and promised to abide by the result, which will abide completely by the result, both in letter and spirit.

Officers of Division No. 1001, the organization now designated to enter into collective bargaining with the company, say it is a question of only a short time when all employes will be in the union and working harmoniously for the betterment of the service. More than 1,000 employes are eligible for membership.

John W. Hamberger was elected president of the division; James S. MacDonnell, vice president; Louis J. Wagen, financial secretary; William L. Ellis, treasurer, and George W. Goodfellow, recording secretary.

AFL Wins First Battle For Decent Labor Section In Construction Code

General Johnson Appoints Committee with Two Labor Members To Redraft Code After William Green and M. J. McDonough, Riddle Its Low Wages and Long Work Week—Separate Code For Building Industry Demanded.

Washington.—The American Federation of Labor won a decided victory in its determined fight against the reactionary labor section of the construction industry code, sponsored by the Construction League of the United States, when General Hugh S. Johnson, Recovery Administrator, at the conclusion of the new hearing referred the controversy to a committee of 11, with William Green, president of the American Federation of Labor, and M. J. McDonough, president of the Building Trades Department of that organization, representing organized labor. The NRA is represented by General Counsel Donald R. Richberg and Deputy Administrator Malcolm Muir. The other eight members of the committee represent the various branches of the construction industry.

Allied Antilabor Forces Lose

The hearings which ended in the appointment of the committee were demanded by the American Federation of Labor only after it had met the combined opposition of the Construction League, the American Federation of Architects, the Chamber of Commerce of the United States, and the American Institute of Architects.

Organized labor's opposition to the code was led by President Green and President McDonough, both of whom claimed that the maximum 40-hour week proposed in the code, with a possible extension to 48 hours, was too long, the minimum wage rates too low, the merging of the building industry code with the general construction code essentially unjust to the building industry workers, and that nothing less than a wholesale rewrition of the code would be acceptable to labor.

Green Attacks Wages and Hours

In his general criticism of the code, Mr. Green said:

"Its provisions are less constructive, more open to abuse, and less favorable to labor than are the great majority of codes which have already been adopted in other industries.

"Where hours of labor in other industries have been materially reduced, the code under consideration here today envisages no reduction of hours.

"Exemptions granted in the proposed code are too numerous and so open to abuse as to mean practical destruction of the benefits the code might otherwise institute.

"The wage provisions are characterized especially by vagueness and uncertainty. This we have repeatedly pointed out.

"The proposed code entirely lacks those regulations of the conditions of labor which have been found necessary to improve conditions of employment in many other industries. Only complete redrafting of the code, in our opinion, can bring it in line with the principles and purposes of the administration."

Separate Building Industry Code Asked

Pointing out there are two clearly defined divisions in the construction industry, general or open construction and building construction, Mr. Green insisted that the labor problems in each division are so markedly different as to make one code for the entire construction industry not only unjust but absolutely impracticable. He said:

"There are profound differences in the type of labor employed; there is marked contrast in the regularity of employment; the methods of operation are entirely different; the types of construction, character and of employer are wholly different; the difference in the degree of labor organization in the two divisions of the industry is very great and very significant. Nothing of this is recognized in the code proposed.

Degrading Wage Rates

"Some 90 per cent of the workers in building construction are highly skilled. Open construction, on the other hand, employs a large force unskilled or common labor. Building construction workers take great pride in their skill; they serve a long apprenticeship to acquire that skill.

"The proposed code ignores these facts. It proposes a minimum wage for unskilled workers, but fixes no wage for skilled workers. This will inevitably tend to degrade the wage standards of the vast majority of those skilled workers employed in building construction. This is manifestly unjust."

Emphasis was laid by Mr. Green on the lack of recognition of building construction as a basic industry in the work set up in the code. He said:

40 and 48-Hour Week Condemned

"A possible 48-hour week is proposed. This is entirely inapplicable to building construction. The 40-hour week has already been generally established in this portion of the construction industry through collective bargaining, and in a substantial portion of the industry an even shorter week is in operation.

"The long work week proposed is of no value whatever to the industry in which some 80 per cent of the workers are unemployed, and have been unemployed for the past three or four years. This portion of the industry must have a shorter work week if reemployment is to be achieved."

Labor Employers' Dictatorship

Mr. Green also insisted that the employers' dictatorship which the code establishes over the labor unions is especially reprehensible. He said:

"I have emphasized strongly the position of labor that no code which sets up administrative machinery whereby employers alone are given the determination of the industry under the code, and dictate to labor how collective bargaining may be conducted and what the agreements resulting from such bargaining may be made applicable to the industry is essentially important in building construction. I repeat most emphatically that the successful operation of the industry under a code is dependant upon the active and daily cooperation of labor."

In order to give labor an active part in the administration of the code, Mr. Green suggested the "organization of a joint industrial relations board for the industry, composed of an equal number of representatives of employers and employes under the direction of an impartial chairman. A number of industries have already organized such boards, and experience with this organization have been made in some codes already approved. Available information in this connection assures us that these boards represent the most constructive agency for the advancement of the purposes of the act."

Tax Labor-Displacing Machines To Assist Jobless, Ornburn Says

Washington.—Labor-displacing machinery should be taxed to create a fund for the relief of those whom employers unscrupulously toss into the unemployed army when their industrial equipment is changed, Ira M. Ornburn, president of the Cigar Makers' International Union of America, presented at the hearing on the proposed code for the cigar-making industry held by the Agricultural Adjustment Administration.

Thousands Lose Jobs

Workers in the cigar industry have suffered severely from the continued onslaught which manufacturers have made on them by the introduction of machinery for cigar making. Statistics compiled by the U. S. Bureau of Labor Statistics show that 31,831 cigar makers were displaced in 1927, while 16,797 met a similar fate in 1929 and 21,354 in 1931.

Mr. Ornburn contended that a practical method to relieve in part the suffering of cigar makers from the constant unemployment caused by the substitution of machinery for their brain and brawn is to impose a small tax on the machines responsible for such relief fund, and thus enable the victimized workers to receive a benefit from the machines which has made it impossible for them to obtain work under labor.

In explaining his proposition, Mr. Ornburn said:

1¢ Per Week for Idle

"In order to temper the introduction of new machinery or the increased production of machinery, and to relieve the social responsibility for displacement of employes, it is proposed that a machine producing a unit of 1,000 cigars, be made by the existing automatic machines, shall pay a supplemental relief fund sufficient to pay each displaced worker $10 per week until reemployed, as may be absorbed elsewhere.

"Assuming 1 per cent increased mechanization for each quarter on the basis of the consumption of 4,500,000,000 cigars, the increased machine output would amount to 45,000,000 cigars.

42 Machines Scrap 250 Workers

"If we calculate 1,000,000 cigars per year per machine, 45 machines would be required to replace the work now performed by 250 employes required from the number of hand employes, we arrive at a displacement of 245 employes.

"At $10 per week for 52 weeks a total of $127,528 must be paid into the relief fund. By spreading this over 2,700,000,000 cigars which represents machine output (60 per cent of 4,500,000,000 total production, divided 1 and cent), we arrive at a contribution of $.0464 per 1,000 cigars.

"For each 45,000,000 cigars added to machine output thereafter, the rate per 1,000 cigars would be increased for the additional displacement. If a higher rate of contribution would result from the introduction of more productive machinery, further adjustment of the rate would be made.

Relief Fund Administration

"Strict supervision over the relief fund and its adjustment to re-employment, with a minimum of red tape in distribution according to the lowered demand on the fund because of re-employment, should be placed in the hands of a relief committee appointed by the NRA Authority with proper regard for equitable representation of all interested parties.

"Such a contribution would place the responsibility for displacement of employment squarely on the shoulders where it belongs.

Machinery and Social Progress

"If relief were left to the Government, the machine, unencumbered, would be free to create further unemployment, irresponsibly, without bothering to ask about the effect of its progress upon the homeless or its economic significance.

"Unfortunately, this is exactly what has been done in the past and has become when it should no longer be permitted.

Obviously the proposed contribution would still leave the victims of previous mechanizations far behind. But the present proposal is tempered by the practical consideration of limits to the burden which industry is able and willing to carry. It seeks no retroactive application, but only to the future benefit in it.

It is realized that the machine cannot now be held suddenly responsible for the havoc created by it under a system which has no social investment responsibility, but with equal reasonableness and justice it can be expected that the imposition of machine responsibility to humanity henceforward, is offered as a practical method of relief.

Problem Must Not Be Sidestepped

"If the proposal does not of itself offer the complete solution, it may at least lead to a greater understanding of the problem.

"And we are forced to seek a solution is best answered by pointing to the fact that unemployment is the worst social evil of our time. Whatever its import on the social structure may mean in its call for changed methods and new views, we must face it and find it now."